

Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 EB-08 CIAE-00 DODE-00 PM-05 H-01
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FM AMEMBASSY TEGUCIGALPA
TO SECSTATE WASHDC 1008
INFO AMEMBASSY GUATEMALA
AMCONSUL GUAYAQUIL
AMEMBASSY MANAGUA
AMEMBASSY PANAMA
AMEMBASSY QUITO
AMEMBASSY SAN JOSE
AMEMBASSY SAN SALVADOR

C O N F I D E N T I A L TEGUCIGALPA 3485

EO 11652 GDS
TAGS: PINT, EINV, HO
SUBJECT: UNITED BRANDS GUILTY PLEA IN HONDURAN BRIBE CASE

REF: STATE 181892 (NOTAL)

1. NEWS OF UNITED BRANDS GUILTY PLEA JULY 19 IN U.S.
DISTRICT COURT TO CHARGES OF HAVING BRIBED FORMER MINECONOMY
ABRAHAM BENNETON (REFTEL) HAS RECEIVED WIDESPREAD PRESS PLAY
AND PUBLIC ATTENTION. BRIBE, WHICH CAME TO LIGHT IN 1975,
WAS IN RETURN FOR HONDURAS LOWERING ITS BANANA EXPORT TAX.

2. REACTIONS HAVE VARIED BUT UNITED'S ADMISSION IS GENERALLY
TAKEN AS CONFIRMATION OF BENNETON'S GUILT, AND EXPECTED TO
GIVE NEW IMPETUS TO GOH'S OWN CASE AGAINST HIM. CHIEF
PROSECUTOR SERAPIO HERNANDEZ HAS ALREADY ANNOUNCED HE
WILL ASK FOR CERTIFIED COPY OF U.S. COURT'S VERDICT
FOR USE IN HIS CASE.

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3. COMMENT: IN SPITE OF UNITED BRAND'S PRESS RELEASE,
WHICH ALSO CARRIED HERE, THAT KEY OFFICERS INVOLVED NO
LONGER WITH THE COMPANY AND EXPLAINING COMPANY'S
DESIRE TO AVOID PROLONGED PUBLICITY BY PLEADING GUILTY,
PAYING FINE AND CLOSING ISSUE, THE MERE FACT UNITED
BRANDS HAS ADMITTED THE BRIBERY WILL BE USED BY VARIOUS

GROUPS TO MALIGN COMPANY AND ALL MULTINATIONALS. THERE
HAVE BEEN SOME CALLS THAT THE GOH SHOULD ALSO CONSIDER
FURTHER ACTION AGAINST UNITED BRANDS, ALTHOUGH THIS SEEMS
UNLIKELY. OTHERS--AND BENNATON'S LAWYER AMONG THEM--WILL PLAY THE
THEME THAT THE BRIBE WAS PART OF A PLOT AT THE TIME TO DESTROY THE
POPULIST GOVERNMENT OF GENERAL OSWALDO LOPEZ ARELLANO. STILL,
UNITED'S DECISION TO PLEAD GUILTY AND AVOID A LONGER PUBLIC
EXPOSURE WILL PROBABLY TURN OUT MORE ADVANTAGEOUS IN THE
LONG RUN.
JARAMILLO

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